

MILLER BREWING COMPANY
CENTEX BEVERAGE, INC. August 21, 2003

Mr. William Foster
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0221

Attn: Notice No. 4
Dear Mr. Foster,

I submit this letter in support of final approval for the proposed regulations concerning the sources of alcohol in favored malt beverages (FMB's).

The 0.5% limit on distilled spirits in flavored malt beverages conforms well with existing federal and state license, tax and distribution regulations. These regulations have long maintained a clear distinction between brewed malt beverages and distilled spirits. Most communities across the U.S. use this distinction to regulate where and when various alcoholic beverages may be sold. Beer is usually taxed and licensed more leniently than distilled spirits because the general public believes, as we do, that it is the 'beverage of moderation' deserving of separate regulation. Raising the limit above 0.5% would erode this useful distinction and prove confusing to the consumer.

In our work bringing products to retail we recognize that flavored malt beverages represent a regulator challenge. We believe this challenge should be addressed in a way that is consistent with traditionally accepted standards that preserve the distinction between malt beverages and distilled spirits. The 0.5% rule does this, providing both consumers and regulators with clear definitions. I therefore encourage the adoption of Flavored Malt Beverages and Related Proposal under Notice NO. 4 as soon as conveniently possible.

Sincerely,

Daniel T. Patton
Vice President
Centex Beverage